

The complaint

Mrs R, as executor of the estate of Mr R, complains about the service provided by Zopa Bank Limited ('Zopa') during the administration of the estate.

Mrs R has authority to bring a complaint on behalf of the estate.

What happened

After Mrs R notified Zopa about Mr R's death, Zopa asked Mrs R for some further details in order to identify Mr R's account holdings. Zopa sent Mrs R details of Mr R's account and following further communication with her, paid out the account balance to her.

When Mrs R complained to Zopa about the way it was handling the administration of the estate, Zopa upheld her complaint. It said there had been delays when responding to her emails. Zopa offered to pay Mrs R £50 compensation by way of apology for the service she had experienced.

Mrs R didn't feel this addressed her concerns and she brought her complaint to us. Mrs R was mainly concerned that Zopa hadn't taken adequate steps to verify the information she'd provided about Mr R's death. She felt that Zopa had mismanaged Mr R's account and it was responsible for data breaches when it sent her account information and then transferred the balance of the account to her, without seeing any evidence of Mr R's death.

Our investigator looked into the complaint but didn't recommend upholding it. She felt that Zopa had done enough to explain things to Mrs R. Although Zopa had admitted that it should have asked to see Mr R's death certificate before proceeding, the investigator said the accounts were closed with the funds correctly being paid to the executor. So there was no impact to the estate. And whilst she understood Mrs R's wider concerns, she explained that we focus on the particular circumstances that apply in each case, not hypothetical situations. So the investigator didn't feel she could fairly ask Zopa to do anything more.

Mrs R disagreed with the investigator's view and asked for an ombudsman to review the complaint. She mainly said that she appreciated the limitations of our role. But she still felt that failing to carry out appropriate enquiries following the death of a customer is not an appropriate duty of care and Zopa had shown a lack of responsibility and integrity. She didn't accept that Zopa could have verified Mr R's death electronically, as it had told her. She remained of the view that Zopa's acknowledged failings were sufficient grounds for upholding her complaint.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've carried out an independent review and having done so, I've reached the same conclusion as our investigator.

Zopa has confirmed to us that it completed due diligence electronically before acting on the report of Mr R's death. I don't have any further details about what those processes were – but I wouldn't necessarily expect a financial business to share details of its internal systems. And whilst I appreciate that Mrs R has questioned what she was told by Zopa, this doesn't affect the outcome of this complaint.

In order to uphold Mrs R's complaint, I would have to find that Zopa made an error or acted in a way that wasn't fair and reasonable AND this led to Mr R's estate suffering financial loss or some other detriment. So this is the focus of my decision.

As far as I can see, it seems to be agreed that all the money that was identified belonging to Mr R in accounts he held with Zopa has been transferred to Mrs R. I haven't been provided with any information to show that Zopa disclosed private information concerning Mr R or his estate to anyone who wasn't entitled to receive that information.

Zopa has acknowledged that it failed to follow its own internal process. It recognised that it should have asked Mrs R to provide the relevant death certificate before it acted on Mrs R's instructions. So, it's not in dispute that Zopa made an error. But when thinking about what I can fairly and reasonably require Zopa to do to put things right, I must keep in mind that I haven't identified any financial loss arising from anything that Zopa did wrong. Ultimately, it looks like the funds owing to the estate have been correctly identified and paid to the executor. So the estate isn't out of pocket as a result of anything Zopa didn't do correctly.

I am aware that Mrs R was looking for substantially more compensation than Zopa offered. But she is acting in this matter as the representative of the estate and Zopa owed its duty of care to the estate. Whilst I don't doubt that Mrs R suffered distress and inconvenience dealing with Zopa, I should make clear that under the rules governing our service, Mrs R (as executor) isn't entitled to any compensation for distress and inconvenience. So that's not something I could require Zopa to pay. Its £50 offer is a matter just between Mrs R and Zopa.

All in all, I am satisfied that I haven't seen enough to uphold this complaint. It follows that I can't award redress to Mr R's estate (or to Mrs R personally, for the reasons I've explained above).

I appreciate that Mrs R would like answers to questions she has raised. But whilst I may not have addressed every single point raised or question asked, it doesn't mean I haven't taken into account all the considerations I need to keep in mind. It just means I haven't needed to specifically refer to everything Mrs R has mentioned in order to reach a fair decision.

I hope that setting things out as I've done helps Mrs R to understand how I've reached my conclusions.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr R to accept or reject my decision before 19 August 2024.

Susan Webb
Ombudsman